Overview of Cost of Attendance
A NASFAA Authorized Event*

Presented by
[Name of Presenter/Association]
[Location]
[Date], 2023

*For training purposes only; not for credential preparation.
Agenda

• COA Construction
• Basic COA Components
• Additional Cost Components
• COA Restrictions
• Non-Title IV Effect on COA
Evaluating Financial Need

Financial Need
- COA
- EFC

Remaining Need
- COA
- EFC
- EFA

Remaining Eligibility
- COA
- EFA
COA Construction

Purposes

- Realistic
- Accurate Projection
- Equitable

Principles

- Comprehensiveness
- Reasonableness
- Systematic Development
- Documentation
Setting Costs

**Institutional Costs**
- Tuition and fees
- Institutional housing and food

**Noninstitutional Costs**
- Books, course materials, supplies, and equipment
- Transportation
- Personal expenses
- Off-campus housing and food
- Utilities
- Dependent care
- Health care
# Collecting Data to Set Costs

## Primary Data
- Directly from students:
  - Surveys/questionnaires
  - Expenditure diaries
  - Personal interviews

## Secondary Data
- Third-party sources:
  - Published institutional data
  - Faculty and staff
  - Class project
  - Community sources
  - Government indices
  - Comparisons
Disclosure Requirements

- FAFSA Simplification Act requires institutions to make publicly available COA components
- Must be displayed on any webpage discussing tuition and fees
- Schools have flexibility in determining how to provide information
General Concepts for Developing Budgets

- Part F, Section 472 of the Higher Education Act of 1965 (HEA), as amended, identifies costs that may be included.
Basic COA Components

- Tuition and fees
- Living expenses
- Books, course materials, supplies, and equipment
- Transportation
- Miscellaneous expenses
Basic COA Components

Tuition and Fees

HEA 472

For the purpose of this subchapter, the term “cost of attendance” means—

(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution;
Basic COA Components

Tuition and Fees

- Tuition cannot be unique to Title IV recipients
- Fees normally assessed to students within a category
- May include equipment and supplies if required for all students in the same category
- Up-front tuition and fee charges
- Cooperative education tuition and fees
Basic COA Components

Living Expenses

- FAFSA Simplification Act renamed “Room and Board” as “Living expenses, including food and housing”
- Statute established 6 distinct categories of students
- On-campus housing allowance must be based on greater of the average or median amount assessed to those residents
Basic COA Components

Living Expenses

- Food component of allowance must provide for three meals per day
- Food component of allowance may be greater than cost of institutional meal plan
- Food component of allowance for dependent students living at home may include three meals per day, or fewer
Basic COA Components

### Living Expenses

<table>
<thead>
<tr>
<th>Student Category</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent students residing at home with parents</td>
<td>Allowance based on food and housing expenses reasonably incurred by such students</td>
</tr>
<tr>
<td></td>
<td>Allowance may not be zero</td>
</tr>
<tr>
<td>Students without dependents living in school owned or operated housing</td>
<td>Housing component must be based on average or median amount assessed to residents, whichever is greater</td>
</tr>
</tbody>
</table>
## Basic COA Components

### Living Expenses

<table>
<thead>
<tr>
<th>Student Category</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students with dependents residing in school-owned or operated housing</td>
<td>Housing component must be based on average or median amount assessed to residents, whichever is greater</td>
</tr>
<tr>
<td>Students living off campus and not in school owned or operated housing</td>
<td>Must include rent or other housing costs</td>
</tr>
</tbody>
</table>
## Basic COA Components

### Living Expenses

<table>
<thead>
<tr>
<th>Student Category</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students living in on-base military housing or in housing for which the military</td>
<td>Allowance for food, but not for housing</td>
</tr>
<tr>
<td>provides a basic housing allowance</td>
<td>Expenses reasonably incurred by such students</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>All other students</td>
<td>Allowance based on the expenses reasonably incurred by such students for housing and food</td>
</tr>
</tbody>
</table>
Basic COA Components

Books, Course Materials, Supplies, and Equipment

• Different allowances must be established according to program-specific needs
• May include allowance for purchase or rental of personal computer
  – No longer required to attend at least half time
Basic COA Components

Personal Computer Allowance

• Does not have to be a program requirement
• May be included more than once
• May be purchased outside of student’s enrollment period for use while enrolled
• Policies and procedures should define conditions, amounts, and documentation requirements
Basic COA Components

Transportation

• Reasonable allowance for:
  – Getting to school, work, home, and back
  – Other travel related to a course of study

• Can include operating and maintenance costs of a car, but not purchase or lease
  – May use prevailing mileage costs
Basic COA Components

Miscellaneous Personal Expenses

• Reasonable allowance
• Examples include:
  – Clothing
  – Personal maintenance
  – Grooming aids
  – Recreation
• Moderate standard of living
Additional COA Components

- License, certification or credential
- Federal educational loan fees
- Dependent care expenses
- Disability-related expenses
- Cooperative education expenses
- Study abroad expenses
Additional COA Allowances

License, Certification, or Credential

• FAFSA Simplification Act requires that cost be included if required in field of study
• Cost must be incurred while student is enrolled
• FAFSA Simplification Act removed one-time limit
  – Institution may set a reasonable number of times it is included in student’s COA
Additional COA Components

- Multiple COAs required
- School may use actual or average costs
  - If average used, school must determine reasonable basis for the amount used
- Examples include:
  - Teacher certification required by state;
  - License to practice as physical therapist;
  - Examination fee for taking bar exam; and
  - Travel expenses for interviews for medical residency required for licensure

- Documentation
Additional COA Components

Federal Educational Loan Fees

• Actual or average cost
• Required for any Direct Loan borrowed
• FAFSA Simplification Act eliminated option to include nonfederal educational loan fees
Additional Cost Components

Dependent Care

- Use *reasonable* costs in the community
- Necessary for the student to attend class, study time, field work, or internship, or for commuting time
- Dependent(s) included in household size
- Documentation
- Exception to school policy is a PJ decision
Additional Cost Components

Disability-Related Expenses

- *Reasonable* incurred expenses related to disability
- Not provided for by other assisting agencies
- Americans with Disabilities Act (ADA) defines many types of disabilities
- Documentation
Additional COA Components

Cooperative Education

• Credit-bearing academic program combining professional work experience with academic research and coursework
• May include *reasonable* costs associated with employment
• Documentation
Additional COA Components

Study Abroad

• Approved for credit by home institution
• *Reasonable* costs associated with study abroad experience
• Documentation
COA Restrictions

- Tuition and Fees
- Books and Supplies
- Living Expenses
- Transportation
- Misc./Personal

Standard COA components
COA Restrictions—Less Than Half Time

• At *option* of institution
  – Not more than three semesters (or equivalent)
  – Not more than two *consecutive* semesters
COA Restrictions—Correspondence Study

- Tuition and Fees
- Books/Supplies
- Living Expenses
- Transportation
- Misc./Personal

Must reflect actual costs assessed by institution

Personal Computer
(if required by program and provided by school)
COA Restrictions—Correspondence Study

- Living Expenses
- Transportation

Only if incurred during period of on-site residential training
COA Restrictions—Incarcerated Students

- Tuition and Fees
- Books/Supplies
- Room/Board
- Transportation
- Misc./Personal

+ Professional Licensure
Non-Title IV Aid Effect on COA

- Tuition and Fees
- Books/Supplies
- Living Expenses
- Transportation
- Misc./Personal

EFA

Offset to a specific COA component

- Scholarship
- State aid
- NOT prepaid tuition plans
Non-Title IV Aid Effect on COA

\[
\text{Tuition and Fees} = \text{Waiver} - (\text{Books/Supplies} + \text{Living Expenses} + \text{Transportation} + \text{Misc./Personal})
\]

Student’s COA components
Non-Title IV Aid Effect on COA

- Tuition and Fees
- Books/Supplies
- Living Expenses
- Transportation
- Misc./Personal

Waiver (option 1)
Non-Title IV Aid Effect on COA

\[
\text{Tuition and Fees} + \text{Books/Supplies} + \text{Living Expenses} + \text{Transportation} + \text{Misc./Personal} = \text{Waiver (option 2)}
\]
To what extent do you expect a student to have a roommate or roommates in order to reduce costs?

Does your school reduce the COA or package the tuition discount or waiver as estimated financial assistance (EFA)? Why is it handled this way?

In your opinion, why is equity a principle of the student budget construction process?
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